

U.S. Department of Agriculture
Rural Utilities Service

CONTRACT TO CONSTRUCT BUILDINGS

NOTICE AND INSTRUCTIONS TO BIDDERS

- 1. Proposals:** *Sealed proposals for the construction including the furnishing of all materials, machinery, labor and equipment, water, heat, utilities, transportation, and other means necessary for construction of the building(s) listed*

below (hereinafter called the "Project") to be financed ☐ , not to be financed ☐ pursuant to a loan contract

between _____ (hereafter called the "Owner")

and the United States of America, by the Administrator of the Rural Utilities Service (hereinafter called the

"Administrator") and designated as Project _____

_____ will be received by the Owner on or before _____ o'clock _____ M

*_____ Time, _____, _____, at its office located at _____
at which time and place the proposals will be publicly opened and read. The Rural Telephone Bank may also be a party to the loan contract.*

Name or Kind of Building	Location
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

- 2. Obtaining Documents:** *The plans and specifications together with all other necessary forms and documents for*

bidders may be secured from _____

at _____ upon payment

*of _____ Dollars (\$ _____) which
payment will be refunded to each bona fide bidder within ten (10) days after the bid opening. Additional set of Plans*

and Specifications may be obtained upon payment of _____

Dollars (\$ _____) which payment will not be subject to refund. The Plans and Specifications may

be examined at the office of _____.

A copy of the loan contract may also be examined at the office of the Owner.

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3. **Manner of Submitting Proposals:** *Proposals and all supporting documents required to be attached thereto must be submitted on the forms furnished by the Owner and must be delivered in a sealed envelope, addressed to the Owner. The name and address of the Bidder, its license numbers, if a license is required by the State, and the date and hour of the opening of bids must appear on the envelope in which the proposal is submitted. Proposals must be filled in ink or typewritten. No alterations or interlineations will be permitted, unless made before submission, and initialed and dated.*
4. **Familiarity with Conditions:** *Prior to the submission of the proposal, the Bidder shall make and shall be deemed to have made a careful examination of the site of the Project and of the Plans and Specifications, forms of Construction Proposal and Acceptance, and Contractor's Bond on file with Secretary of the Owner and shall become informed as to the location and nature of the proposed construction, the transportation facilities, the kind and character of the soil and terrain to be encountered, the kind of facilities required before and during the construction of the Project, general local conditions, and all other matters that may affect the cost and the time of completion of the Project. Bidders will be required to comply with all applicable statutes, regulations, etc., including those pertaining to the licensing of contractors and the so called "Kick-Back" Statute (48 Stat. 948) and regulations issued pursuant thereto.*
5. **Proposals** *will be accepted only from those prequalified bidders invited by the Owner to submit a proposal.*
6. **Time of Completion of Construction:** *The time of completion of construction of the Project shall be as specified by the Architect in the Proposal.*
7. **Bid Bond:** *Each proposal must be accompanied by a bid bond in the form attached or a certified check on a bank that is a member of the Federal Deposit Insurance Corporation, payable to the order of the Owner, in an amount equal to ten percent (10%) of the maximum bid price. Each Bidder shall agree, provided its proposal is one of the three low proposals, that by filing its proposal together with such bid bond or check in consideration of the Owner's receiving and considering such proposal, said proposal shall be firm and binding upon each such Bidder and such bid bond or check shall be held by the Owner until a Proposal is accepted and a satisfactory Contractor's Bond (or Builder's Risk Policy) is furnished by the successful Bidder and such acceptance has been approved by the Administrator, or for a period not to exceed sixty (60) days from the date herein before set for the opening of proposals, whichever period shall be the shorter. If such proposal is not one of the three low proposals, the bid bond or check will be returned in each instance within a period of ten (10) days to the respective Bidder.*
8. **Contractor's Bond or Builder's Risk Policy:** *The successful bidder will be required to execute two additional counterparts of the Proposal and to furnish:*
 - (a) *For contracts in amounts in excess of \$100,000, a Contractor's Bond in the form attached to the Proposal with sureties listed by the United States Treasury Department as Acceptable Sureties, in a penal sum not less than the contract price.*
 - (b) *For contracts in amounts of \$100,000 or less, either a Contractor's Bond or a Builder's Risk Policy, whichever the Owner has specified below: (Check One)*

☐ *Contractor's Bond*

☐ *Builder's Risk Policy*
9. **Failure to Furnish Contractor's Bond or Builders Risk Policy:** *Should the successful Bidder fail or refuse to furnish a Contractor's Bond (or Builder's Risk Policy) satisfactory to the Owner within fifteen (15) days after written notification of the acceptance of the Proposal by the Owner, the Bidder will be considered to have abandoned the Proposal. In such event, the Owner shall be entitled (a) to enforce the Bid Bond in accordance with its terms, or (b) if a certified check has been delivered with the Proposal, to retain from the proceeds of the certified check the difference between the amount of the Proposal and such larger amounts for which the Owner may in good faith contract with another party to construct the Project. The term "successful Bidder" shall be deemed to include any Bidder whose proposal is accepted after another Bidder has previously refused or has failed to furnish a satisfactory Contractor's Bond (or Builder's Risk Policy).*
10. **Contract is Entire Agreement:** *The contract effected by acceptance of the Proposal shall be deemed to include the entire agreement between the parties thereto, and the Bidder shall not claim any modification thereof resulting from any representation or promise made at any time by any officer, agent or employee of the Owner or by any other person.*

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- 11. Minor Irregularities:** *The Owner reserves the right to waive minor irregularities or minor errors in the Proposal, if it appears to the Owner that such irregularities or errors were made through inadvertence. Any such irregularities or errors so waived must be corrected on the Proposal prior to its acceptance by the Owner.*
- 12. Rejection of Proposal:** *The Owner reserves the right to reject any or all proposals.*
- 13. Discrepancies:** *Where a discrepancy appears between the sum of the Base Bids of each building and the Total Base Bid, the correct addition of the Base Bid price for each building shall control.*
- 14. The Owner Represents:**
- (a) *If by provisions of the Proposal, the Owner shall have undertaken to furnish any materials for the construction of the Project, such materials are on hand at locations which may be determined by the bidders' inquiry of the Architect, or if such materials are not on hand, they will be made available by the Owner to the successful Bidder before the time such materials are required for incorporation into the Project.*
- (b) *Title to the property on which the Project is to be constructed has been obtained.*
- (c) *All funds necessary for prompt payment of the construction of the Project will be available.*

If the owner should fail to comply with any of the undertakings contained in the foregoing representations or if any such representations shall be incorrect, the Bidder will be entitled to an extension of the time of Completion of Construction for a period equal to the delay, if any, caused by the failure of the Owner to comply with such undertakings or by any such incorrect representations; provided the Bidder shall have promptly notified the Owner in writing of its desire to extend the time of completion in accordance with the foregoing, and provided further that such extension, if any, of the time of completion shall be the sole remedy of the Bidder for the Owner's failure to comply with any of the foregoing representations.

OWNER

By _____

Dated _____

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BID BOND

1. *KNOW ALL MEN that we,* _____
_____, *as Principal, and*
_____.

as Surety, are held and firmly bound unto _____

_____ *(hereafter called the "Owner")*
in the penal sum of ten percent (10%) of the amount of the bid referred to in paragraph 2 below, but not to exceed

_____ *dollars (\$ _____) as*
hereinafter set forth and for the payment of which sum well and truly to be made we bind ourselves, our executors,
administrators, successors and assigns, jointly and severally, by these presents;

2. *WHEREAS, the Principal has submitted a bid to the Owner for the construction of the Rural Utilities Service*
Project known as Project _____.

3. *NOW, THEREFORE, the condition of this obligation is such that if the Owner shall accept the bid of the Principal,*
and

(a) the Principal shall execute such contract documents, if any, as may be required by the terms of the bid and give such
Contractor's Bond or Bonds for the performance of the contract and for the prompt payment of
labor and material furnished for the Project as may be specified in the bid, or

(b) in the event of the failure of the Principal to execute such contract documents, if any, and give such Contractor's
Bond or Bonds, if the Principal shall pay to the Owner the difference, not to exceed the penal sum hereof, between
the amount specified in the bid and such larger amount for which the Owner may in good faith contract with
another party to construct the Project, then this obligation shall be void, otherwise to remain in full force and
effect.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and their respective
corporate seals to be affixed and attested by their duly authorized representatives this

_____ day of _____, _____.

Attest:

PRINCIPAL (Seal)

BY _____

SECRETARY

TITLE

SURETY (Seal)

Attest

BY _____

SECRETARY

TITLE

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PROPOSAL

To: _____

(Hereinafter called the "Owner"). The undersigned (hereinafter called the "Bidder") proposes to construct the Buildings (s)

listed in Section I Article I (hereinafter called the "Project"). Financed ☐ , not to be financed ☐ , in whole or in part by a loan to the Owner by the United States of America, by the Administrator of the Rural Utilities Service (hereinafter called the "Administrator"), or by loans to the Owner by the United States of America and by the

Rural Telephone Bank, designated _____ and to receive and install such materials and equipment as may hereinafter be specified to be furnished by the Owner, and to furnish all other materials, machinery, and equipment, water, heat, utilities, transportation and other means required to construct the Project in accordance with the plans and specifications (hereinafter called the "Plans and Specifications"),

Prepared by _____ (hereinafter called

the "Architect") and dated _____, _____, and approved by the Rural Utilities Service on

_____, _____, and by this reference made a part hereof. The Bidder has made a careful examination of the site(s) on which the Project to be constructed, has become informed as to the kind of facilities required before and during the construction of the Project and has become acquainted with the labor conditions which would affect the work.

The bidder agrees that if his bid is accepted, the following terms shall govern.

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ARTICLE I - Amount of Proposal

Section 1. Bid Price: *The Bidder will construct the Project for the following sum:*

Name or Kind and Location of Building	Base Bid
	\$
	\$
	\$
	\$
	\$
	\$
	\$
	\$
<i>Total Base Bid</i>	\$
<i>Alternate Bid No. 1 (add) (deduct)</i>	\$
<i>Alternate Bid No. 2 (add) (deduct)</i>	\$
<i>Alternate Bid No. 3 (add) (deduct)</i>	\$
<i>Alternate Bid No. 4 (add) (deduct)</i>	\$

Section 2. Taxes: *The price quoted herein includes all amounts which the Bidder estimates will be payable by the Bidder or the Owner on account of taxes imposed by any taxing authority upon the sale, purchase or use of materials, supplies or equipment or services or labor of installation to be incorporated in the Project. The Bidder will pay all such taxes and will furnish to appropriate taxing authorities any required information and reports pertaining thereto.*

ARTICLE II - Construction

Section 1. Time of Construction:

(a) *The Bidder, after notification in writing of approval of the Construction Contract by the Administrator, it approval of the Administrator is required, will commence construction of the Project within*

_____ (_____) Calendar days after the Owner shall have given the Bidder written notice to commence construction which notice shall be given:

(1) *Not later than _____ (_____) Calendar days after approval of the Construction Contract by the Administrator, if approval of the Administrator is required.*

(2) *On a date to be determined by the Owner.*

(The Architect will cross out the inapplicable statement (1) or (2) above before requesting bids.)

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- (b) *The Bidder will prosecute diligently and complete construction of the Project in strict accordance with the Plans and Specifications and directions of the Architect _____*

_____ (_____) Calendar days after the expiration of the time specified to commence construction.

- (c) *The time for Completion of Construction herein set forth shall be extended for the period of any reasonable delay, which is due exclusively to causes beyond the control and without the fault of the Bidder, including acts of God, fires, floods, direction by the Architect to cease construction during periods when in the judgment of the Architect it is impractical to perform any operation of construction and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible, provided, however, that no such extension of time for completion shall be granted the Bidder unless within ten (10) days after the happening of any event relied upon by the Bidder for such an extension of time the Bidder shall have made a request therefor in writing to the Owner and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes or from any changes in construction which may be made pursuant to Subsection (d) of this Section shall result in any liability on the part of the Owner.*
- (d) *The Owner, acting through the Architect and with the approval of the Administrator, if approval of the Administrator is required, may from time to time during the progress of construction make revisions in the Project. If the revision is such as to require an extension in the time of construction, a reasonable extension shall be granted if the Bidder shall make a written request therefor to the Owner prior to the commencement of work in connection with such revision. If the cost of the Project to the Bidder to make revision shall be increased or decreased, the contract price shall be amended by an amount equivalent to the reasonable cost thereof by a Construction Contract Amendment signed by the Owner and the Bidder, and approved by the Administrator if approval of the Administrator is required; but no claim for additional compensation for any revision will be considered unless the Bidder shall have made a written request therefor to the Owner prior to the commencement of work in connection with such revision. The reasonable cost of any increase or decrease in the contract price covered by the contract amendment as outlined above, in the absence of any other mutual agreement, shall be computed on the basis of the direct cost of materials, F.O.B. the site of the Project, plus the direct cost of labor necessary to incorporate such materials into the Project (including actual cost of payroll taxes and insurance) plus twenty-five percent (25%) of the direct cost of materials and labor. Labor cost shall be limited to the direct costs for workmen and foremen. Costs for Bidder's main office overhead, job office overhead and superintendence shall not be included.*

Section 2. Supervision: *The Bidder will give sufficient supervision to the work, using his best skill and attention. He will carefully study and compare all drawings, specifications and other instructions, and report at once to the Architect any error, inconsistency or omission which he may discover. The Bidder will make available during construction a competent superintendent and any necessary assistants, all satisfactory to the Architect. The superintendent shall not be changed except with the consent of the Architect unless the superintendent proves to be unsatisfactory to the Bidder and ceases to be in his employ. The superintendent shall represent the Bidder in his absence and all directions given to him shall be as binding as if given to the Bidder. When requested, such directions shall be confirmed in writing.*

Section 3. Shop Drawings: *The Bidder, after reviewing, will submit to the Architect, with such promptness as to cause no delay in the work two copies of all shop or setting drawings and schedules required for the work of the various trades, and the Architect shall pass on them with reasonable promptness, requesting corrections required thereto to be made. The Bidder will make any corrections required and file with the Architect three corrected copies and furnish such other copies as may be needed. The Architect's approval of such drawings or schedules shall not relieve the Bidder of responsibility for deviations from the Plans and Specifications. The Bidder will keep one copy of the contract documents on the site, in good order, available to the Architect. All drawings and specifications will be returned to the Architect upon completion of construction.*

Section 4. Samples: *The Bidder will furnish for approval all samples as directed by the Architect, and will perform the work in accordance with such approved samples.*

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Section 5. Inspection and Tests: *The manner of construction of the Project and all materials and equipment used or to be used therein shall be subject to the inspection, tests and approval of the Architect and the Administrator, and the Bidder will furnish all information required by the Architect or the Administrator concerning the nature or source of materials. The Owner and the Administrator shall have the right to inspect all records of the Bidder and of any subcontractor relevant to the work. The Bidder will make available at the site of the Project telephone service where obtainable, the payroll, invoices of material and other data and records of the Bidder relevant to the work. The Bidder will provide all reasonable facilities necessary for such inspection and tests. If the specifications, the Architect's instructions, laws, ordinances or any public authorities require any work to be specially tested or approved, the Bidder will give the Architect timely notice of its readiness for observation by the Architect or inspection by an authority other than the Architect, and, if the inspection is by such other authority, of the date fixed for such inspection, testing or approval. The Bidder will bear all costs of such inspections, tests and approvals unless otherwise provided, obtain required certificates and deliver them to the Architect. Observations by the Architect shall be promptly made, and where practicable at the source of supply. If any work should be covered without approval or consent of the Architect, it must, if required by the Architect, be uncovered for examination at the Bidder's expense.*

Re-examination of questioned work may be ordered by the Architect and if so ordered the work must be uncovered by the Bidder. If such work be found in accordance with the contract documents the Owner shall pay the cost of re-examination and replacement. If such work be found not in accordance with the contract documents the Bidder will pay such cost.

Section 6. Employees: *The Bidder will at all times enforce strict discipline and good order among his employees and shall not employ any unfit person or anyone not skilled in the task assigned him. The Architect and the Owner shall have the right to require the removal from the Project of any employee of the Bidder or subcontractor if in their judgment such removal shall be necessary to protect the interest of the Owner.*

Section 7. Defective Workmanship and Materials: *Notwithstanding the acceptance of workmanship, materials (except owner-furnished materials) or equipment or the giving of any certificate with respect to the Completion of Construction, if during the construction or within one year after such completion, or within such longer period as the Project or any part thereof may be guaranteed by other provisions of this Proposal, the workmanship, materials or equipment shall be found to be defective or not in conformity with the requirements of the Plans and Specifications, the Bidder will remedy or replace such workmanship, materials or equipment within thirty (30) days after written notice of the failure of the Bidder to conform with the applicable provisions of the contract documents shall have been given to the Bidder by the Owner.*

ARTICLE III - Payment and Releases of Liens

Section 1. Payments to Bidder:

- (a) *On or before the fifth (5) day of each Calendar Month, the Bidder will make application for payment, and the Owner, on or before the fifteenth (15) day of such month, shall make partial payment to the Bidder for construction accomplished during the preceding Calendar Month and partial payment for materials not incorporated in the Project. The payment shall be made on the basis of a schedule of values and receipts or other vouchers, submitted by the Bidder to, and approved by, the Architect, showing payments for labor and materials, payments to subcontractors, and such other evidence of the Bidder's right to payment for construction accomplished, and bills of sale or such other procedure as will establish the Owner's title to materials not incorporated in the Project but delivered and suitably stored on the site or at any other location agreed upon in writing by the Owner. Approval by the Architect of the application for payment is solely for the purposes of payment and shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such estimate of the cost for construction accomplished and approved and fifty percent (50%) of the cost of materials not incorporated in the Project shall be paid by the Owner to the Bidder prior to Completion of Construction.*

The Bidder will, before the first application, submit to the Architect a schedule of values of the various parts of the work, including quantities, aggregating the total contract price, divided so as to assist in determining the accuracy of payments to subcontractors and of the applications for payments.

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- (b) *Upon Completion of Construction, the Architect shall inspect the Project, and if he shall find the work acceptable and all provisions hereunder fully performed, he shall furnish the Owner two copies of a Certificate of Completion, on forms satisfactory to the Administrator, and shall certify thereon the final Contract Price. The Certificate of Completion shall show thereon the Acceptance of the Contractor. Upon acceptance of the Certificate of Completion by the Owner, the Owner shall make final payment to the Bidder of all unpaid amounts to which the Bidder shall be entitled hereunder, except that, for contracts requiring approval of the Administrator, the Owner shall submit one copy of the Certificate of Completion to the Administrator for approval. Upon notice of approval by the Administrator, the Owner shall make final payment to the Bidder.*
- (c) *Interest at the rate of _____ percent¹ (_____ %) per annum shall be paid by the Owner to the Bidder on the all unpaid balances due on monthly estimates, commencing fifteen (15) days after the due date, provided the delay in payment beyond the due date is not caused by any condition within control of the Bidder. The due date for purposes of such monthly payment shall be the fifteenth (15th) day of each Calendar Month provided (1) the Bidder on or before the fifth (5th) day of such month shall have submitted its certified estimate of construction completed during the preceding month and (2) the Architect on or before the fifteenth (15th) day of such month shall have approved such certification. If, for reasons not due to the Bidder's fault, such approval of the Architect shall not have been given on or before the fifteenth (15th) day of such month, the due date for purposes of this Subsection shall be the fifteenth (15th) day of such month notwithstanding the absence of the Architect's approval of the certification.*
- (d) *Interest at the rate of _____ percent² (____ %) shall be paid by the Owner to the Bidder on the final payment commencing fifteen (15) days after the due date. The due date for the purposes of such final payment shall be sixty (60) days after the date of certification by the Architect in the Certificate of Completion or the date of approval by the Administrator of the Certificate of Completion when approval thereof is required by the Administrator.*
- (e) *No payments shall be due while the Bidder is in default in respect of any of the provisions of this Proposal, and the Owner may withhold from the Bidder the amount of any claim by a third party against either the Bidder or the Owner based upon an alleged failure of the Bidder to perform the work hereunder in accordance with the provisions of this Proposal.*

Section 2. Release of Liens: *Upon completion of Construction of the Project, but prior to the payment to the Bidder of any amount withheld in accordance with Section I, (a) of Article III, the Bidder shall furnish the Owner, on forms satisfactory to the Administrator, releases of all liens, and of all rights to claim any lien from manufacturers, materialmen and subcontractors who have furnished materials or services for the construction of the Project, and a Certificate of Contractor on a form satisfactory to the Administrator, to the effect that all labor used on or for the Project has been paid and that all such releases have been submitted to the Owner.*

ARTICLE IV - Particular Undertakings of the Bidder

Section 1. Protection to Persons and Property: *The Bidder will, at all times, take all reasonable precautions for the safety of employees on the Project, and of the public and all other persons who may be affected thereby, and will comply with all applicable provisions of Federal, State and Municipal safety laws and building and construction codes.*

The Bidder will protect from loss or damage all materials and equipment to be incorporated in the Project, whether in storage on or off the site, and other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, paved surfaces, structures and utilities not designated for removal, relocation or replacement in the course of construction. The Bidder will provide and maintain guard lights, watchmen or other protection for persons and property, and physical hazards shall be guarded in accordance with the "Manual of Accident

¹ The Owner shall insert a rate equal to the lowest "Prime Rate" listed in the "Money Rate" section of the Wall Street Journal on the date such invitation to bid is issued.

² See Footnote 1.

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Prevention in Construction" of the Associated General Contractors of America, unless such instructions are incompatible with or less strict than those of any public authority having jurisdiction thereon, or instructions of the Architect.

The following provisions shall not, limit the generality of the above requirements:

- (a) The Bidder will at all times, keep the premises free from accumulation of waste material or rubbish caused by his employees or work, and at the completion of construction he will remove all rubbish from and about the Project, and all his tools, scaffolding and surplus materials and will leave his work 'broom clean.'*
- (b) The project from its commencement to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, will be under the charge and control of the Bidder and during such period of control by the Bidder all risks in connection therewith and the materials to be used therein will be borne by the Bidder. The Bidder will make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Bidder, by reason of any act of God or other casualty or cause. whether or not the same shall have occurred by reason of the Bidder's negligence.*
- (i) To the maximum extent permitted by law, Bidder shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Bidder's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Bidder's property) in any manner arising out of or connected with the Contract or the materials or equipment supplied or services performed by Bidder, its subcontractors and suppliers of any tier. But nothing herein shall be construed as making Bidder liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.*
- (ii) To the maximum extent permitted by law, Bidder shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Bidder, its subcontractors and suppliers of any tier, and from all losses, demands, and causes of action arising out of any such lien or claim. Bidder shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Bidder does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Bidder.*
- (iii) Bidder shall provide to Owner's satisfaction evidence of bidder's ability to comply with the identification provisions of subparagraphs I and ii above, which evidence may include but may not be limited to bond or liability insurance policy obtained for this purpose through a licensed surety or insurance company.*
- (c) The Bidder will confine his apparatus, the storage of materials and the operations of his workmen to limits indicated by law, ordinances, permits, or directions of the Architect, and shall not unreasonably encumber the premises with his materials.*
- (d) The Bidder will not load or permit any of the structure to be loaded with a weight that will endanger its safety.*
- (e) The Bidder will submit to the Owner monthly reports in duplicate of all accidents giving such data as may be prescribed by the Architect.*
- (f.) Upon violation by the Bidder of any of the provisions of this section, the Bidder will, after written notice of such violation given to the Bidder by the Architect or the Owner, immediately correct such violation. . Upon failure of the Bidder so to do, the Owner may correct such violation at the*

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Bidder's expense; provided, however, that the Owner may, if it deems necessary or advisable, correct such violation at the Bidder's expense without such prior notice to the Bidder.

- (g) *The Bidder will be responsible for all construction means, methods, techniques, sequences, and Procedures and for coordinating all portions of the construction of the Project.*

Section 2. Insurance: *The Bidder shall take out and maintain throughout the contract period insurance of the following types and minimum amounts:*

- (a) *Worker's compensation and employers liability insurance, as required by law, covering all their employees who perform any of the obligations of the contractor, engineer, and architect under the contract. If any employer or employee is not subject to the workers' compensation laws of the governing state, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws.*
- (b) *Public liability insurance coverage all operations under the contract shall have limits for bodily injury or death of not less than \$1 million each occurrence, limits for property damage of not less than \$1 million each occurrence, and \$1 million aggregate for accidents during the policy period. A single limit of \$1 million of bodily injury and property damage is acceptable. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form*
- (c) *Automobile liability insurance on all motor vehicles used in connection with the contract, whether owned, nonowned or hired, shall have limits for bodily injury or death of not less than \$1 million per person and \$1 million per occurrence, and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.*

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections "b" and "c" of this Section. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as Additional Insured on all policies of insurance required in subsections "b" and "c" of this Section.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Bidder shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

Section 3. Purchase or Materials: *The Bidder will purchase all materials (except owner furnished materials) and supplies outright and not subject to any conditional sales agreements, bailment lease or other agreement reserving unto the seller any right, title or interest therein. All materials and supplies shall become the Property of the Owner when erected in place or at such earlier time as the parties may agree pursuant to Section 1 (a) article III. Unless otherwise specified, all materials shall be new.*

Section 4. Assignment of Guarantees: *The Bidder will obtain from manufacturers, materialmen, and subcontractors and furnish to the Owner all guarantees and will transfer or assign to the Owner such*

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guarantees as run in favor of the Bidder, prior to the time the Bidder receives final payment. The guarantees shall be in addition to and not limited by any other provisions of the contract documents, guarantee or remedy required by law.

- Section 5. Royalties and Patent Infringement:** *The Bidder will pay all royalties and license fees and will hold harmless and indemnify the Owner from any and all claims, suits, and proceedings for the infringement of any . patent or patents covering any equipment materials supplies or construction methods used in the work*
- Section 6. Compliance with Statues and Regulations:** *Bidder will comply with all applicable statues, ordinances, rules and regulations pertaining to the work. The Bidder acknowledges that it is familiar with The Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948) and all regulations issued pursuant thereto, and 18 U.S.C. 287.1001 as amended. The Bidder understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.*
- Section 7 Delivery of Possession and Control to the Owner:** *Upon written request of the Owner, the Bidder shall deliver to the Owner full possession and control of any portion of the Project provided the Bidder shall have been paid at least 90 percent (90%) of the cost of construction of such portion. Upon such delivery of the possession and control of such portion of the Project to the Owner, the risks and obligations of the Bidder as set forth in Section 1 (b), Article IV hereof with respect to such portion so delivered to the Owner shall be terminated; provided, however, that nothing herein contained shall relieve the Bidder of any liability with respect to defective workmanship or materials as provided in Section 7, Article 11.*
- Section 8. Occupancy before Completion:** *Except as provided in Section 7, the Owner shall not occupy any portion of the Project prior to the time of completion without the written approval of the Bidder. It is agreed that such occupancy of any such portion of the Project will not constitute acceptance of workmanship or materials used in the construction of the Project as provided in Section 7, Article 11, and that such occupancy will not relieve the Bidder from his obligation to complete any part of the Project in compliance with the contract. The Owner agrees to permit the Bidder to fulfill the requirements of the contract in accordance with instructions issued to the Bidder by the Architect upon occupancy by the Owner.*

ARTICLE V - Remedies

- Section 1. Liquidated Damages:** *The time of Completion of Construction of the Project is of the essence of this Contract. Should the Bidder neglect refuse or fail to complete construction within the time herein agreed upon, after giving effect to extensions of time, if any herein provided for, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such moneys which may be then due or which may become due and payable to the Bidder the sum of _____ Dollars (\$ _____) per Day for each and every day that such construction is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty. If the amount due and to become due from the Owner to the Bidder is insufficient to pay in full any such liquidated damages, the Bidder shall pay to the Owner the amount necessary to effect such payment in full; provided, however, that the Owner shall promptly notify the Bidder in writing of the manner in which the amount retained, deduced or claimed as liquidated damages was computed.*
- Section 2 Completion on Bidder's Default:** *If default shall be made by the Bidder or by any subcontractor in the Performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Bidder and the surety or sureties upon the Contractor's Bond or Bonds a written notice requiring the Bidder to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Bidder, such default shall be corrected or arrangements for the correction thereof, satisfactory to both the Owner and the Administrator, shall be made by the Bidder or its Surety or Sureties, the Owner may take over the construction of the Project and prosecute the same to completion by contract or otherwise for the account and at the expense of the Bidder and the Bidder and its Surety or Sureties shall be liable to the Owner for any cost or expense in excess of the contract price*

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occasioned thereby. In such event the Owner may take possession of and utilize, in completing the construction of the Project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Bidder or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claim or demands which the Bidder may have against third persons in connection with this Proposal and for such purpose the Bidder does hereby assign, transfer and set over unto the Owner all such rights, claim and demands.

Section 3. Cumulative Remedies: *Every right or remedy herein conferred upon or reserved to the Owner or the Government or the Administrator shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election; provided, however, that the provisions of Section I of this Article V shall be the exclusive measure of damages for failure by the Bidder to complete the construction of the Project within the time herein agreed upon.*

ARTICLE VI - Miscellaneous

Section 1. Definitions:

- (a) *The term "Administrator" shall mean the Administrator of the Rural Utilities Service of the United States of America and his duly authorized representatives or any other person in whom or authority in which may be vested in the duties and functions which the Administrator is now authorized by law to perform.*
- (b) *The term "Architect" shall mean the person or organization employed by the Owner to provide architectural services for the Project, and the Architect's duly authorized assistants and representatives. If an Architect is not employed, the term shall apply to the duly authorized agent of the Owner.*
- (c) *The term "Completion of Construction" shall mean full performance by the Bidder of the Bidder's obligations under the Contract and all amendments and revisions thereof except the Bidder's obligations in respect of (1) Releases of Loans and Certificate of Contractor under Article 111, Section 2 hereof, and (2) other final documents. The term "Completion of the Project" shall mean full performance by the Bidder of the Bidder's obligations under the Contract and all amendments and revisions thereof. The date of signature by the Architect of the Certificate of Completion shall be the sole and conclusive evidence as to the date of Completion of Construction and as to the fact of Completion of the Project.*

Section 2. Materials and Supplies: *In the performance of this contract there shall be furnished only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, Mexico or Canada. and only such manufactured articles, materials, and supplies as have been manufactured in the United States, Mexico, or Canada, substantially all from articles, materials, or supplies mined, produced or manufactured, as the case may be, in the United States, Mexico, or Canada; provided that other articles, materials, or supplies may be used in the event and to the extent that the Administrator shall expressly in writing authorize such use pursuant to the provisions of the Rural Electrification Act of 1938, being Title IV of Public Resolution No. 122, 75th Congress, approved June 21, 1938. The Bidder agrees to submit to the Owner such certificates with respect to compliance with the foregoing provision as the Administrator from time to time may require.*

Section 3. Bond or Builder's Risk Policy:

- (a) *The Bidder will furnish to the Owner, for a contract in an amount in excess of \$100,000, a bond in a penal sum not less than the Total Contract Price and in the form attached hereto and with a Surety or Sureties listed by the United States Treasury Department as Acceptable Sureties.*
- (b) *The Bidder will furnish to the Owner for a contract in an amount of \$100,000 or less, a Builder's Risk Policy or a bond like that required in the preceding paragraph, whichever the Owner has specified under paragraph 8 of the Notice and instructions to Bidders. The Builder's Risk Policy shall be on a completed value form, effective from the date equipment or material is first delivered to the building site, and shall name both the Owner and the Contractor as insured. The policy shall insure against loss by fire or lightning and the named perils in the extended coverage endorsement. The amount of coverage shall not be less than the replacement value of the property constructed, including all materials to be used in the construction and*

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stored at the site or at any other location whether furnished by the Owner or the Contractor. When directed, the Bidder shall furnish evidence of compliance with these requirements. The evidence shall be in the form of a certificate of insurance by the insurance company and shall include a provision that no change in or cancellation of the policy shall be made without prior written notice to the Owner and the Administrator.

Section 4. Subcontracts and Nonassignments:

- (a) Within ten (10) days after acceptance of the Proposal by the Owner and before awarding any subcontracts, the Bidder will notify the Architect, Owner and Surety in writing of the names of the subcontractors proposed for the principal parts of the work, and will not enter into any subcontract for such work if written objection thereto is received from the Architect, Owner, Surety or Sureties within fifteen (15) days after receipt of such notice. The Bidder will be as fully responsible to the Owner and the Administrator for the acts and omissions of each subcontractor and of persons employed by such subcontractor as the Bidder would be for its own acts and omissions and those of persons directly employed by it. The Bidder will not subcontract an aggregate amount in excess of sixty-five percent (65%) of its obligations, (to be calculated on the basis of the Total Contract Price) without approval of the Architect, Owner, and Surety or Sureties on any bond furnished by the Bidder for the faithful performance of the Bidder's obligations hereunder. Nothing contained in the Construction Contract shall create any contractual relation between any subcontractor and the Owner.*
- (b) The Bidder will not assign the contract effected by the acceptance of this Proposal or any part thereof without approval in writing of the Owner, Surety or Sureties. and the Administrator if the Construction Contract was approved by the Administrator.*

Section 5. Equal Opportunity Provisions:

- (a) Bidder's Representations.*

The Bidder represents that:

It has ☐ , does not have ☐ 100 or more employees, and if it has, that it has ☐ , has not ☐ , furnished the Equal Employment Opportunity-Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Bidder agrees that it will obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100.

The Bidder agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Bidder will file such report, as required by law, and notify the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

- (b) Equal Opportunity Clause. During the performance of this Contract, the Bidder agrees as follows:*

- (1) The Bidder will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Bidder will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such actions shall include, but not be limited to, the following: Employment, upgrading, demotions or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection of training, including apprenticeship. The Bidder agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.*

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- (2) *The Bidder will, in all solicitations or advertisements for employees placed by or on behalf of the Bidder, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.*
 - (3) *The Bidder will send to each labor union or representative of workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representative of the Bidder's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
 - (4) *The Bidder will comply with all provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations, and relevant orders of the Secretary of Labor.*
 - (5) *The Bidder will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*
 - (6) *In the event of the Bidder's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part, and the Bidder may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as provided by law.*
 - (7) *The Bidder will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by the rules, regulations, or order of the Secretary of labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Bidder will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance; Provided, however, that in the event Bidder becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Bidder may request the United States to enter into such litigation to protect the interests of the United States.*
- (c) *Certificate of Nonsegregated Facilities. The Bidder certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The bidder certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Bidder agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Bidder agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.*

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Section 6. License:

The Bidder warrants that a Contractor's License is ☐ , is not ☐ , required, and if required, it

possesses Contractor's License No. _____ for the State of _____

in which the Project is located, and said license expires on _____, 20_____.

Section 7. Extension to Successors and Assigns: *Each and all of the covenants and agreements contained in the contract effected by the Acceptance of this Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.*

Section 8. Description of Contract: *The Notice and Instructions to Bidders, the Proposal, the Acceptance, the Contractor's Bond or Builder's Risk Policy, the Plans and Specifications and all amendments or revisions thereto constitute the Construction Contract.*

Section 9. Contractor: *Upon acceptance of this Proposal the successful Bidder shall be the Contractor and all references in the Proposal to the Bidder shall apply to the Contractor.*

Section 10. Approval by the Administrator: *No acceptance of a Proposal for a contract upon which approval of the Administrator is required shall become effective until the contract has been approved by the Administrator; provided, that no obligation shall arise hereunder unless such approval is given within sixty (60) days after the date set for the opening of the proposals. The acceptance of a Proposal for a contract upon which approval of the Administrator is not required shall become effective the date of acceptance by the Owner.*

BIDDER

ATTEST:

By _____

PRESIDENT

SECRETARY

ADDRESS

Date _____

ADDRESS

The Proposal must be signed with the full name of the Bidder. If the Bidder is a partnership, the Proposal must be signed in partnership name by a partner. If the Bidder is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

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ACCEPTANCE

Subject to the approval of the Administrator, if approval of the Administrator is required, the Owner hereby accepts the Proposal

of _____ for the construction of
the Project therein described for the:

Base Bid of \$ _____ . and alternate bids as follows:

Alternative bid No. _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

Alternative bid No _____ \$ _____ . (Show plus or minus).

THE TOTAL CONTRACT PRICE IS \$ _____ .

OWNER

ATTEST:

By _____

PRESIDENT

SECRETARY

Dated _____

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CONTRACTOR'S BOND

1. Know all men that we, _____, as
Principal, _____, as Surety and
are held and firmly bound unto _____ (hereinafter
called the "Owner") and unto the United States of America (hereinafter called the "Government") and unto all persons,
firms and corporations who or which may furnish materials for or perform labor on a Rural Utilities
Service Project Known as Project _____ and to their successors
and assigns, in the penal sum of _____ dollars (\$ _____),
as hereinafter set forth and for the payment of which sum well and truly to be made we bind ourselves, our executors,
administrators, successors and assigns jointly and severally by these presents. Said Project is described in a certain
construction contract (hereinafter called the "Construction Contract") between the Owner and the Principal,
dated _____, 20_____, pursuant and subject to a certain loan contract
(hereinafter called the "Loan Contract") between the Owner and the Government, acting through the Administrator of the
Rural Utilities Service (hereinafter called the ("Administrator")).
2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfill all the
undertakings, covenants, terms, conditions and agreements of the Construction Contract and any amendments thereto,
whether such amendments are for additions, decreases, or changes in materials, their quantity, kind or price, labor costs,
mileage, routing or any other purpose whatsoever, and whether such amendments are made with or without notice to the
Surety, and shall fully indemnify and save harmless the Owner and the Government from all costs and damages which
they, or either of them, shall suffer or incur by reason of any failure so to do, and shall fully reimburse and repay the
Owner and the Government for all outlay and expense which they, or either of them shall incur in making good any such
failure of performance on the part of the Principal, and shall promptly make payment to all persons working on or
supplying labor or materials for use in the construction of the Project contemplated in the Construction Contract and any
amendments thereto, in respect of such labor or materials furnished and used therein, to the full extent thereof, and in
respect of such labor or materials furnished but not so used, to the extent of the quantities estimated in the Construction
Contract and any amendments thereto to be required for the construction of the Project, and shall well and truly
reimburse the Owner and the Government, as their respective interests may appear, for any excess in cost of construction
of said Project over the cost of such construction as provided in the Construction Contract and any amendments thereto,
occasioned by any default of the Principal under the Construction Contract and any amendments thereto, then this
obligation shall be null and void, but otherwise shall remain in full force and effect.
3. It is expressly agreed that this bond shall be deemed amended automatically and immediately, without formal and
separate amendments hereto, upon any amendment to the Construction Contract, so as to bind the Principal and the
Surety to the full and faithful performance of the Construction Contract as so amended, provided only that the total
amount of all increases in the cost of construction shall not exceed 20 percent of the amount of the maximum price set
forth in the Construction Contract. The term "Amendment," wherever used in this bond, and whether referring to this
bond, the Construction Contract or the Loan Contract shall include any alteration, addition, extension, modification,
amendment, rescission, waiver, release or annulment, of any character whatsoever.
4. It is expressly agreed that any amendment which may be made by agreement or otherwise between the Principal and the
Owner in the terms, provisions, covenants and conditions of the Construction Contract, or in the terms, provisions,
covenants and conditions of the Loan Contract (including, without limitation, the granting by the Administrator to the
Owner of any extension of time for the performance of the obligations of the Owner under the Loan Contract or the
granting by the Administrator or the Owner to the Principal of any extension of time for the performance of the
obligations of the Principal under the Construction Contract, or the failure or refusal of the Administrator or the Owner to

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take any action, proceeding or step to enforce any remedy or exercise any right under either the Construction Contract or the Loan Contract, or the taking of any action, proceeding or step by the Administrator or the owner, acting in good faith upon the belief that the same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in any way release the Principal and the Surety, or either of them or their respective executors, administrators, successors or assigns, from liability hereunder. The Surety hereby acknowledges receipt of notice of any amendment, indulgence or forbearance, made, granted or permitted.

5. *This bond is made for the benefit of all persons, firms and corporations who or which may furnish any materials or perform any labor for or on account of the construction to be performed under the Construction Contract and any amendments thereto, and they, and each of them, are hereby made obligees hereunder with the same force and effect as if their names were written herein as such, and they and each of them may sue hereon.*

In witness whereof, the undersigned have caused this instrument to be executed and their respective corporate seals to be affixed and attested by their duly authorized representatives this _____

day of _____, 20_____.

(PRINCIPAL) (SEAL)

Attest:

By _____

(SECRETARY)

(SURETY) (SEAL)

Attest:

By _____

(SECRETARY)

(ADDRESS OF SURETY'S HOME OFFICE)

By _____
(RESIDENT AGENT OF SURETY)

Signatures: The Contractor's Bond must be signed with the full name of the Contractor. If the Contractor is a partnership the Contractor's Bond must be signed in the partnership name by a partner. If the Contractor is a corporation the Contractor's Bond must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the corporation. A typewritten copy of all such names and signatures shall be appended.

Power of Attorney: The Contractor's Bond must be accompanied by a power of attorney authorizing execution on behalf of the Surety and, in jurisdictions so requiring should be countersigned by a duly authorized resident agent of the Surety.